

December 12, 2006
Milton, Florida

Present: Chairman Jerry Burden, Cindy Cotton, Diane Collar, Blackie Black, Chrys Holley, and Michelle Parker. Also present were the County Administrator (Hunter Walker) and Public Services Director (Tony Gomillion). Danny Holt arrived late.

Approval of Minutes

Holley moved approval of the minutes from the November 8, 2006 meeting; Parker seconded, and the motion carried unanimously. (6-0)

HHRP Construction Development/Finance Strategy Discussion

Walker said at the October 2006 meeting this Board tabled the proposals. He said since the proposals were tabled they have not been dealt with. Walker said he has the original October 2006 memorandum from Kevin Wagner that outlines the proposals. He said Wagner submitted a preliminary recommendation to this committee at the last meeting. Walker said the committee needs to make some determination on the four proposals that were received. Burden said the proposals were left on the table to review the strategies and see if they need to be changed.

Wagner said at the last meeting, the committee had a workshop discussion about possible options for committee recommendations. He discussed the three possible recommendations/options for the \$2.1 million (handout in file). Burden said he was not at the last meeting, but the minutes addressed some of the issues concerning moving some dollars into a rental strategy. He asked for recommendations from the committee.

Cotton asked if option number one can be open to several builders. Wagner said option one will be an open RFP. Cotton said there is some new home inventory on the market. She said she prepared a report, and there are new homes sitting on the market that do qualify home buyers, even in the 50% AMI (Area Mean Income). Cotton said she did not find any in the 30% that would benefit from a \$50,000.00 contribution. She said these homes are not with just one builder. Wagner said if this option was opened up to an RFP, the number of builders can be selected based upon the allocation. He said the RFP does not have to be exclusively for one builder. Cotton said there are currently 27 homes on the realtor's MLS system that will qualify. Walker asked Wagner if there is an option to open it up to the free market. He said for example, the individuals can be qualified and then go forward into the open market to choose what they can afford as opposed to being placed into a specific home. Walker said this is just an option. Wagner said this is the third option. He said the Home Purchase Assistance option will allow the individual to go find a home and get qualified through a bank. He said this may be the easiest option. Cotton said in that case, there are 102 homes as of yesterday on the realtors MLS that say they are FHA quality. She said there are no homes at 30%. Wagner said this is the purpose for putting money back into the rental development aspect. He said previously under the Home Purchase Assistance option, \$875,000.00 was allocated. Wagner said now existing construction is an option. He said the same strategy will carry forward at a higher subsidy. Wagner said previously the subsidy was \$25,000.00 and now the subsidy can be up to \$50,000.00. He said previously under the Home Purchase Assistance, an individual could qualify for up to the \$25,000.00 subsidy if they earned 80% or less of AMI. Wagner said the individual could receive up to \$15,000.00 if they earned 81% to 120% AMI. He said this same formula can be followed or \$50,000.00 can be funded per home. Wagner said he recommends using the same formula previously used.

Collar asked if money was put into Rental Development would the rental be for 3 years. Wagner said enforcing of this provision would only be for the life of the HHRP Program (which is three years) unless a significant funder has a stronger life cycle. He said when the Carlisle Group was allocated \$2 million, they received money from Florida Housing Finance which has a 50 year monitoring. Wagner said the stricter program will always be deferred to. He said there is no way any company could do a rental project without receiving some type of subsidy from the State and Florida Housing with the tax credit program. Wagner said companies would have to receive some type of subsidy from the State to be able to buy down to an affordable rental range because of the market, impact fees, and the cost of land. Cotton said she wants to make sure the only difference between option one and option three is option one deals with only new homes and opening up of an RFP through West Florida Regional Planning Council. She said with option three, new homes will qualify on a case by case basis. Wagner said yes. He said option one will be newly constructed home without being occupied after a certificate of occupancy. Wagner said option three consists of market existing or newly constructed homes. Burden asked how the options will be promoted. Wagner said once individuals know this money is available, they will come to him. He said he does not feel he will have to be proactive. Burden asked if there should be an education process with the mortgage lenders so they understand the program should they want to participate. He said he felt marketed education is not much of a need besides explaining the difference in subsidy amounts because the program parallels the SHIP program in many facets. Wagner said mortgage lenders are endowed with knowledge of the program. Burden said he wants all lenders to participate, not just the ones that have participated in the past. Wagner agreed. He said he concurs with the initial marketing. Burden said the more people who know about the program, the more people who will benefit from the program. Wagner said the information can be placed in newsletters and on the county website.

Collar asked if she needs to abstain from the vote since she works for USDA and there is a potential she would receive some of this money. Cotton said as a realtor she can not vote either. Burden said as a banker he could not vote either. Walker said all of members are going to have some conflict in one version or another simply because they are in the business. He said Collar will not personally benefit from the money received. Walker said a personal conflict involves personal gain.

Parker asked Wagner questions about option three. Wagner said the \$1 million is to help buy down the cost of a constructed rental development. He said with the Florida Tax Credit Program, as well as the money in option three, the renter will have a lower monthly rent based on their income. Wagner said this is one of the reasons the tax credit programs work so well. He said the renters are not the individuals receiving money with option three. Wagner said the money actually goes to the developer towards the end product to be a more affordable rent range. Parker asked if these are existing rentals or rental units to be constructed. Wagner said to be constructed. Parker said she felt the citizens of Santa Rosa County would benefit more if the option was at the free market status. She said the individuals who do use the subsidy should be able to purchase a home in an area they want to live in.

Wagner said the three recommendations are budget allocations that will take the \$2.1 million out of the Construction

Development Strategy and move money according to the recommendation that is approved.

Parker made a motion for preference of option three funding allocation for \$2.1 million as presented and distributed by Wagner under the Construction Development Strategy; Cotton seconded, and the motion carried unanimously.

Burden asked Wagner to discuss the Construction Development Finance RFP that went out in October 2006. Wagner said the strategy for the Construction RFP is to promote housing which the market was not producing post Hurricane Ivan. He said the total funding allocation was \$3.5 million at \$50,000.00 per constructed unit to help reduce the construction costs. Wagner said the RFP that was issued was for \$2.1 million, and there were four responders.

Cotton said it is her understanding that if the committee chooses any of the three funding allocation recommendations, the RFP's will be rejected. Wagner said this is correct. Burden said action still has to be taken on the four RFP's that were submitted and tabled even though option three is the preference of the committee. Black asked if any of the four companies that submitted RFP's purchased property for the project. Burden said he does not know for certain. Guy Stefano said CEII purchased four pieces of property in anticipation of receiving the RFP. He said points are awarded in the RFP rating for property owned in certain areas. Stefano said it behooved the responders to own property in these areas. Burden said this was a basic business decision made by the company. He said the company purchased the property in anticipation of being awarded the RFP. Wagner said the RFP was geared toward site control. He said site control enables a non profit or for profit to turn around and build a home faster. Wagner said choosing to buy property versus not to buy property is a business decision. Walker said it is not his understanding there was compulsion to grant any respondent to the RFP in this particular regard. Burden said he is surprised and concerned to hear this wording complied in the RFP.

Cotton moved approval to reject the four responses to the RFP previously submitted; Parker seconded, and the motion carried by majority vote with Cotton, Parker, Collar, Burden, and Holley in favor of the motion. Black abstained. (5-0-1)

Parker moved approval to adopt a recommendation of option three as a strategy; Holt seconded, and the motion carried unanimously.

Family Promise Presentation/Transitional Housing Strategy

Debbie Laird and Chip Fox spoke on Family Promise. Laird said they are working to provide housing for homeless families with minor children to get them established and improve their situation in life. She said currently in Santa Rosa County there are only two transitional homes available. Laird said Family Promise opened in Santa Rosa County in August 2006. She said it is a national program in 39 states. Laird said this program has been very effective and is favorably viewed by HUD. She explained the program and asked the committee to assist Family Promise by providing monies for transitional housing. Laird said there are currently three families in the program. She said if these families were in transitional housing they could prepare their own food and begin having normal family routines. Laird said Family Promise would like the County to provide funding for at least two modest homes to be used as transitional housing. She said they intend to ask for donations from the community for goods and services to help with labor, appliances, etc. Laird said they hope to receive enough donations to build three homes. She said Bill Wallace is looking for the lots, and he has identified lots that he felt are within a reasonable price range. Laird said Wallace is also approaching individuals to ask if they are interested in donating their land or reducing the cost of their land.

Laird said Family Promise currently has nine churches that have agreed on a rotating basis to convert their sanctuary, fellowship halls, or Sunday school spaces into rooms for the families one week at a time. She said each week the families move to another church.

Parker said she can not vote on the decision but personally felt this is a good cause for the Board to support if the committee will consider it. She said the rental development strategy previously voted on by the committee will be an offset to benefit the program as well.

Cotton asked if there will be a guarantee that the home will not be sold for a profit. Laird said it is their anticipation that if the program stopped using the home within a certain period of time, the home would revert back to the county or funds be reimbursed. She said she expects for this to be addressed. Burden asked where the funds for this request will come from. Wagner said the next step is to create a strategy and forward the strategy to Florida Housing Finance Corporation for approval. He said after approval is obtained, an RFP can be advertised. Wagner said after responses from the RFP are received, funding can be awarded. He said a decision can not be made today. Wagner said a new strategy must be created. Cotton asked if there is a plan for maintenance on the homes. Laird said Family Promise has agreed to look at volunteers for things that go wrong with the homes. She said they will have to keep insurance on the homes, etc. Cotton asked if funds are protected if the homes are not completed due to Family Promise relying on volunteers for construction of the homes. Laird said they anticipate the \$201,000.00 as enough funding to completely finish the home without volunteers. Cotton said the only question is whether or not Family Promise can build three homes with volunteers. Laird said this is correct. Wagner said the County is protected through any type of liens or mortgage. Holley said she supports the building of these homes.

Holley moved approval to direct Wagner to create a strategy for the request from Family Promise; Collar seconded, and the motion carried by majority vote with Holley, Collar, Cotton, Burden, Holt and Black. Parker abstained. (6-0-1)

Holt discussed the option of Family Promise using the money to assist with monthly rental payments for the families versus construction of the new homes. Fox said many of the families have no credit, bad credit, etc. and can not qualify for a rental. Holt suggested Family Promise renting the homes for the transient families and subsidizing their rent with the requested funds. Holt said this is just an option.

United Way

Burden said this is an amendment to the existing agreement for utilization of volunteer labor for repair, etc.

Guy Thompson said he requests a change to the existing agreement of utilizing volunteers in the repair program to licensed

contractors for repairs. He said simply speaking "you don't get volunteers anymore today and you can't do the job." Thompson said for the program to be successful, the ability to hire licensed contractors and pay them to do the job is required. He said he would also like the same \$1,500.00 per unit for administrative fees like the agreement with Rebuild Northwest Florida. Thompson said he would like these two items approved. Burden asked the dollar amount these changes will create. Wagner said \$250,000.00 from volunteer to emergency repair. Burden asked Wagner if the money is moved from one area to another. Wagner said yes. He said the volunteer line will be zeroed out, and the money will be moved to emergency repair.

Holt moved approval of these two amendments as recommended; Black seconded, and the motion carried unanimously.

Burden said all members received a preliminary strategy that was worked up based on the presentation from Family Promise. He asked each committee member to review the strategy for discussion and recommendation at the next meeting.

SHIP Allocation-My Safe Florida Home Program

Kathy Ahlen said this program is for projects that will reduce hurricane damage to single family homes. She said matching funds are required by the homeowner or allowable matching funds. Ahlen said one allowable funding option is SHIP dollars. She said in the grant they applied for they are suggesting use of SHIP matching funds to assist the low and very low income families. Ahlen said dollars must be allocated and set aside for this program. She said they are recommending \$100,000.00 of SHIP Substantial Rehabilitation dollars to be moved to the Disaster Mitigation Strategy to assist these families. Burden asked if this is a recommendation from staff. Ahlen said yes. She said this recommendation will first apply to people currently on the list for substantial rehabilitation.

Holt moved approval to accept the recommendation and move the funds; Black seconded, and the motion carried unanimously.

Other Business

Cotton asked if the committee is still trying to fill membership. She asked if there were people to be contacted regarding the vacancies. Walker said Commissioner Broxson has a couple of names of people from the South End, and those have not been given to him yet. He said he will have these names at the next meeting. Cotton said Mr. Foster keeps asking her about the vacancies. She said she will tell Foster the committee is looking for someone from the South End.

Next Meeting/Adjournment

Walker said the committee needs to decide on a meeting date. He said the current meeting date conflicts with the Building Board of Adjustments and Holt serves on this board. Burden said historically this committee met on the fourth Wednesday. He said he is not sure why this was changed. Burden asked if there are any concerns from the committee with changing the meeting date back to the fourth Wednesday of the month. There were no objections.

There being no further business to come before the committee at this time, the meeting adjourned.